

2/18/10

**COMMISSIONERS**  
 KRISTIN K. MAYES, Chairman  
 GARY PIERCE  
 PAUL NEWMAN  
 SANDRA D. KENNEDY  
 BOB STUMP

ERNEST G. JOHNSON  
 EXECUTIVE DIRECTOR



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## ARIZONA CORPORATION COMMISSION

**ORIGINAL****MEMORANDUM**

**TO:** Kristin K. Mayes, Chairman  
 Gary Pierce  
 Paul Newman  
 Sandra D. Kennedy  
 Bob Stump

Arizona Corporation Commission  
**DOCKETED**  
 FEB - 5 2010

**FROM:** Matthew J. Neubert  
 Director of Securities



**DATE:** February 5, 2010

**RE:** Mark W. Bosworth, *et al.* (Docket No. S-20600A-08-0340); Order to Cease and Desist, for Restitution, and for Administrative Penalties and Consent to Same by: Stephen G. Van Campen and Diane V. Van Campen

**CC:** Ernest G. Johnson, Executive Director

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Attached is a proposed Order to Cease and Desist, for Restitution, and for Administrative Penalties and Consent to Same by: Stephen G. Van Campen and Diane V. Van Campen (the "Order"). The Order finds that, from February 2006 to October 2007, Mr. Van Campen offered and sold investment contracts and promissory notes (collectively the "Investments") issued by Mark Bosworth & Associates, L.L.C. (MBA) and 3 Gringos Mexican Investments, L.L.C. (3GMI) in connection with commercial buildings and condominiums under construction. The investors who purchased the Investments issued by 3GMI have been satisfied in full. Mr. Van Campen offered and sold to five investors \$855,000 of the Investments issued by MBA. Mr. Van Campen was not registered as a securities dealer or salesman and the Investments were not registered pursuant to the Securities Act.

The Order finds that Mr. Van Campen violated A.R.S. §§ 44-1841 and 44-1842 by offering and selling unregistered securities while being unregistered. The Order requires Mr. Van Campen to cease and desist his activity, pay \$855,000 in restitution, and pay an administrative penalty in the amount of \$50,000.

The Division believes that the Order is appropriate to protect the public welfare.

Originator: Aaron S. Ludwig

1                                **BEFORE THE ARIZONA CORPORATION COMMISSION**

2                                COMMISSIONERS

3                                KRISTIN K. MAYES, Chairman  
4                                GARY PIERCE  
5                                PAUL NEWMAN  
6                                SANDRA D. KENNEDY  
7                                BOB STUMP

8 In the matter of )

9 MARK W. BOSWORTH and LISA A. )  
10 BOSWORTH, husband and wife; )

11 STEPHEN G. VAN CAMPEN and DIANE )  
12 V. VAN CAMPEN, husband and wife; )

13 MICHAEL J. SARGENT and PEGGY L. )  
14 SARGENT, husband and wife; )

15 ROBERT BORNHOLDT and JANE DOE )  
16 BORNHOLDT, husband and wife; )

17 MARK BOSWORTH & ASSOCIATES, )  
18 L.L.C., an Arizona limited liability )  
19 company; )

20 3 GRINGOS MEXICAN INVESTMENTS, )  
21 L.L.C., an Arizona limited liability )  
22 company; )

23 Respondents. )

DOCKET NO. S-20600A-08-0340

DECISION NO. \_\_\_\_\_

**ORDER TO CEASE AND DESIST, FOR  
RESTITUTION, AND FOR  
ADMINISTRATIVE PENALTIES AND  
CONSENT TO SAME BY:**

**STEPHEN G. VAN CAMPEN and DIANE V.  
VAN CAMPEN**

24                Respondents STEPHEN G. VAN CAMPEN and DIANE V. VAN CAMPEN elect to  
25 permanently waive any right to a hearing and appeal under Articles 11 and 12 of the Securities Act  
26 of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act") with respect to this Order To Cease And  
Desist, for Restitution, and for Administrative Penalties ("Order"). Respondents STEPHEN G.  
VAN CAMPEN and DIANE V. VAN CAMPEN admit the jurisdiction of the Arizona Corporation  
Commission ("Commission"); admit only for purposes of this proceeding and any other  
administrative proceeding before the Commission the Findings of Fact and Conclusions of Law  
contained in this Order; and consent to the entry of this Order by the Commission.

## I.

## FINDINGS OF FACT

1. MARK BOSWORTH & ASSOCIATES, L.L.C. ("MBA") is an Arizona limited liability company doing business in Maricopa County, Arizona. MBA is the holder of a real estate license issued by the Arizona Department of Real Estate.

2. 3 GRINGOS MEXICAN INVESTMENTS, L.L.C. ("3GMI") is an Arizona limited liability company doing business in Maricopa County, Arizona.

3. STEPHEN G. VAN CAMPEN ("VAN CAMPEN") is an individual last known to reside in Maricopa County, Arizona. VAN CAMPEN is a member of 3GMI. VAN CAMPEN is the holder of a real estate license issued by the Arizona Department of Real Estate and was at relevant times a "salesperson" of MBA.

4. DIANE V. VAN CAMPEN was at all relevant times the spouse of VAN CAMPEN and may be referred to as "Respondent Spouse." Respondent Spouse is joined in this action under A.R.S. § 44-2031(C) solely for purposes of determining the liability of the marital community.

5. At all relevant times, VAN CAMPEN acted for his own benefit and for the benefit or in furtherance of the marital community.

6. VAN CAMPEN, MBA, and 3GMI may be referred to collectively as "Respondents."

7. At all relevant times, VAN CAMPEN was not registered with the Commission as a securities dealer or salesman.

8. From on or about February 2006 to October 2007 in Maricopa County, Arizona, Respondents offered and sold investment contracts and promissory notes issued by MBA and 3GMI with titles such as "Investment Agreement," "Promissory Note," and "Receipt of Investment Funds" (collectively the "Investments"). The investors who purchased the Investments issued by 3GMI have been satisfied in full. VAN CAMPEN offered and sold to five investors \$855,000 of the Investments issued by MBA.

9. Respondents solicited investors through Arizona newspaper advertisements, websites, Arizona seminars, and van trips to Puerto Peñasco, Mexico ("Rocky Point").

10. Respondents represented the Investments to offerees and investors as follows: investor money would be pooled and used by Respondents to purchase commercial buildings under construction, including a condominium development project in Rocky Point ("Rocky Point condos"), then the buildings would be leased by Respondents to future tenants until sold by Respondents, along with the Rocky Point condos, when completed, for substantial gains.

11. Respondents represented that the Investments would return to investors 100 percent of their initial investment plus a 30 to 100 percent return.

12. Respondents did not purchase (and later sell) the buildings or Rocky Point condos and the investors received neither the 30 to 100 percent return nor their initial investment, despite having requested same from Respondents.

## II.

## CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

2. VAN CAMPEN offered or sold securities within or from Arizona, within the meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

3. VAN CAMPEN violated A.R.S. § 44-1841 by offering or selling securities that were neither registered nor exempt from registration.

4. VAN CAMPEN violated A.R.S. § 44-1842 by offering or selling securities while neither registered as a dealer or salesman nor exempt from registration.

5. VAN CAMPEN'S conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-2032.

6. VAN CAMPEN'S conduct is grounds for an order of restitution pursuant to A.R.S. § 44-2032.

8. VAN CAMPEN acted for the benefit of the marital community and, pursuant to A.R.S. §§ 25-214 and 25-215, this order of restitution and administrative penalties is a debt of the community.

## ORDER

IT IS ORDERED, pursuant to A.R.S. § 44-2032, that VAN CAMPEN and any of his agents, employees, successors and assigns, permanently cease and desist from violating the Securities Act.

IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that VAN CAMPEN, individually, and the marital community of VAN CAMPEN and Respondent Spouse, jointly and severally shall, jointly and severally with any other Respondent against whom the Commission enters an order under Docket No. S-20600A-08-0340, pay restitution to the Commission in the principal amount of \$855,000. Any principal amount outstanding shall accrue interest at the rate of 10 percent per annum from the date of purchase until paid in full. Interest in the amount of \$298,293.15 has accrued from the date of purchase to the date of this Order. Payment shall be made in full on the date of this Order. Payment shall be made to the "State of Arizona" to be placed in an interest-bearing account controlled by the Commission.

1       The Commission shall disburse the funds on a pro-rata basis to investors shown on the  
2 records of the Commission. Any restitution funds that the Commission cannot disburse because an  
3 investor refuses to accept such payment, or any restitution funds that cannot be disbursed to an  
4 investor because the investor is deceased and the Commission cannot reasonably identify and  
5 locate the deceased investor's spouse or natural children surviving at the time of the distribution,  
6 shall be disbursed on a pro-rata basis to the remaining investors shown on the records of the  
7 Commission. Any funds that the Commission determines it is unable to or cannot feasibly  
8 disburse shall be transferred to the general fund of the state of Arizona.

9       IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that VAN CAMPEN,  
10 individually, and the marital community of VAN CAMPEN and Respondent Spouse, jointly and  
11 severally, shall pay an administrative penalty in the amount of \$50,000. Payment shall be made to  
12 the "State of Arizona." If the restitution obligation specified above is paid in full by March 31,  
13 2011, the administrative penalty will be reduced to \$25,000. Any amount outstanding shall accrue  
14 interest at the rate of 10 percent per annum from the date of this Order until paid in full. The  
15 payment obligations for these administrative penalties shall be subordinate to any restitution  
16 obligations ordered herein and shall become immediately due and payable only after restitution  
17 payments have been paid in full or upon VAN CAMPEN'S or Respondent Spouse's default with  
18 respect to VAN CAMPEN'S and Respondent Spouse's restitution obligations.

19       For purposes of this Order, a bankruptcy filing by VAN CAMPEN or Respondent Spouse  
20 shall be an act of default. If VAN CAMPEN or Respondent Spouse does not comply with this  
21 Order, any outstanding balance may be deemed in default and shall be immediately due and  
22 payable.

23       IT IS FURTHER ORDERED that, if VAN CAMPEN or Respondent Spouse fails to  
24 comply with this order, the Commission may bring further legal proceedings against VAN  
25 CAMPEN or Respondent Spouse, including application to the superior court for an order of  
26 contempt.

1 IT IS FURTHER ORDERED that no finding of fact or conclusion of law contained in this  
2 Order shall be deemed binding against any Respondent under this Docket Number who has not  
3 consented to the entry of this Order.

4 IT IS FURTHER ORDERED that this Order shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION  
6  
7

8 CHAIRMAN

COMMISSIONER

9  
10 COMMISSIONER

COMMISSIONER

COMMISSIONER

11  
12 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,  
13 Executive Director of the Arizona Corporation  
14 Commission, have hereunto set my hand and caused the  
15 official seal of the Commission to be affixed at the  
16 Capitol, in the City of Phoenix, this \_\_\_\_\_ day of  
17 \_\_\_\_\_, 2010.

18 \_\_\_\_\_  
19 ERNEST G. JOHNSON  
20 EXECUTIVE DIRECTOR

21  
22 \_\_\_\_\_  
23 DISSENT

24  
25 \_\_\_\_\_  
26 DISSENT

This document is available in alternative formats by contacting Shaylin A. Bernal, ADA  
Coordinator, voice phone number 602-542-3931, e-mail [sabernal@azcc.gov](mailto:sabernal@azcc.gov).

(ASL)

**CONSENT TO ENTRY OF ORDER**

1  
2 1. VAN CAMPEN and Respondent Spouse admit the jurisdiction of the Commission  
3 over the subject matter of this proceeding. VAN CAMPEN and Respondent Spouse acknowledge  
4 that they have been fully advised of their right to a hearing to present evidence and call witnesses  
5 and they knowingly and voluntarily waive any and all rights to a hearing before the Commission  
6 and all other rights otherwise available under Article 11 of the Securities Act and Title 14 of the  
7 Arizona Administrative Code. VAN CAMPEN and Respondent Spouse acknowledge that this  
8 Order To Cease And Desist, for Restitution, and for Administrative Penalties ("Order") constitutes  
9 a valid final order of the Commission.

10 2. VAN CAMPEN and Respondent Spouse knowingly and voluntarily waive any right  
11 under Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or  
12 extraordinary relief resulting from the entry of this Order.

13 3. VAN CAMPEN and Respondent Spouse acknowledge and agree that this Order is  
14 entered into freely and voluntarily and that no promise was made or coercion used to induce such  
15 entry.

16 4. VAN CAMPEN and Respondent Spouse acknowledge that they have been  
17 represented by an attorney in this matter; that they have reviewed this Order with their attorney  
18 Norman Keyt; and, that they understand all of the terms it contains. VAN CAMPEN and  
19 Respondent Spouse acknowledge that their attorney has apprised them of their rights regarding any  
20 conflicts of interest arising from dual representation and that they have each given their informed  
21 consent to such representation.

22 5. VAN CAMPEN and Respondent Spouse admit only for purposes of this proceeding  
23 and any other administrative proceeding before the Commission the Findings of Fact and  
24 Conclusions of Law contained in this Order. VAN CAMPEN and Respondent Spouse agree that  
25 they shall not contest the validity of the Findings of Fact and Conclusions of Law contained in this  
26 Order in any present or future administrative proceeding before the Commission.



1           6. By consenting to the entry of this Order, VAN CAMPEN and Respondent Spouse  
2 agree not to take any action or to make, or permit to be made, any public statement denying,  
3 directly or indirectly, any Finding of Fact or Conclusion of Law in this Order or creating the  
4 impression that this Order is without factual basis. VAN CAMPEN and Respondent Spouse will  
5 undertake steps necessary to assure that all of their agents and employees understand and comply  
6 with this agreement.

7           7. While this Order settles this administrative matter between VAN CAMPEN,  
8 Respondent Spouse, and the Commission, it is understood by VAN CAMPEN and Respondent  
9 Spouse that this Order does not preclude the Commission from instituting other administrative or  
10 civil proceedings based on violations that are not addressed by this Order.

11           8. VAN CAMPEN and Respondent Spouse understand that this Order does not  
12 preclude the Commission from referring this matter to any governmental agency for  
13 administrative, civil, or criminal proceedings that may be related to the matters addressed by this  
14 Order.

15           9. VAN CAMPEN and Respondent Spouse understand that this Order does not  
16 preclude any other agency or officer of the state of Arizona or its subdivisions from instituting  
17 administrative, civil, or criminal proceedings that may be related to matters addressed by this  
18 Order.

19           10. VAN CAMPEN agrees that he will not apply to the state of Arizona for registration  
20 as a securities dealer or salesman or for licensure as an investment adviser or investment adviser  
21 representative at any time in the future.

22           11. VAN CAMPEN agrees that he will not exercise any control over any entity that  
23 offers or sells securities or provides investment advisory services within or from Arizona at any  
24 time in the future.

25           12. VAN CAMPEN agrees that he will not sell any securities in or from Arizona  
26 without being properly registered in Arizona as a dealer or salesman, or exempt from such

1 registration; VAN CAMPEN will not sell any securities in or from Arizona unless the securities are  
2 registered in Arizona or exempt from registration; and, VAN CAMPEN will not transact business  
3 in Arizona as an investment adviser or an investment adviser representative unless properly  
4 licensed in Arizona or exempt from licensure.

5 13. VAN CAMPEN and Respondent Spouse agree that they will continue to cooperate  
6 with the Securities Division by, including but not limited to, providing complete and accurate  
7 testimony at any hearing in this matter and cooperating with the state of Arizona in any related  
8 investigation or any other matters arising from the activities described in this Order.

9 14. VAN CAMPEN and Respondent Spouse acknowledge that any restitution or  
10 penalties imposed by this Order are obligations of VAN CAMPEN as well as the marital  
11 community.

12 15. VAN CAMPEN and Respondent Spouse consent to the entry of this Order and  
13 agree to be fully bound by its terms and conditions.

14 16. VAN CAMPEN and Respondent Spouse acknowledge and understand that, if they  
15 fail to comply with the provisions of the order and this consent, the Commission may bring further  
16 legal proceedings against them, including application to the superior court for an order of  
17 contempt.

18 17. VAN CAMPEN and Respondent Spouse understand that default shall render them  
19 liable to the Commission for its costs of collection and interest at the maximum legal rate.

20 ...

21 ...

22 ...


18. VAN CAMPEN and Respondent Spouse agree and understand that, if they fail to make any payment as required in the Order, any outstanding balance shall be in default and shall be immediately due and payable without notice or demand. VAN CAMPEN and Respondent Spouse agree and understand that acceptance of any partial or late payment by the Commission is not a waiver of default by Commission.

  
STEPHEN G. VAN CAMPEN

  
DIANE V. VAN CAMPEN

STATE OF ARIZONA       )  
  ) ss  
County of Maricopa       )

SUBSCRIBED AND SWORN TO BEFORE me this 3<sup>rd</sup> day of February, 2010.

  
NOTARY PUBLIC

My commission expires:

04/23/2010



1 SERVICE LIST FOR: In the Matter of Mark W. Bosworth, et al.

2  
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